

Update Bulletin

StoreNext Business Council — Nominations Open

August 12, 2004

StoreNext Retail Technologies is very pleased to announce the nomination process for the 2004/2005 StoreNext Business Council. All StoreNext Dealer Principals/Owners are invited to participate in the continued operation of this council. Nominations are now open – see below.

As you likely recall, this organization has been formed to maximize mutual business success for Dealers and StoreNext as well as providing a regular forum for communications and information. In addition to twice-yearly meetings, both StoreNext and Dealers have used the Council for ad-hoc advice and discussion of issues. StoreNext anticipates that the Council members will continue to represent the interests of all StoreNext Dealers.



Requests for expanded and longer memberships will both be implemented for the coming council, which will be expanded to as many as eight Dealers – six from election by Dealer Principals and up to two additional Dealers added by StoreNext if desired.

In addition, the term of the elected members will be two years instead of one. Three of the current five Dealers will therefore remain for the 2004/2005 Council. The “names drawn from the hat” were George Brady, David Fuller and Terry Woods, who will continue for a second year.

Dealer Principals are now invited once again to volunteer themselves and nominate other Dealer Principals for a two-year term commencing in September. In acknowledgement of their outstanding service on the 2003/2004 Council, Rudy Long and Gary Pollastro are being automatically placed into nomination for this election along with other Dealers that may be nominated at this time. Please email up to three nominations to avanseventer@storenext.com by Friday, August 20. Nominations will *only* be accepted from Dealer Principals/Owners.

The inaugural year of the SBC was a success from all perspectives. Not only did StoreNext learn a great deal about issues and pressures facing the Dealer channel, but specific competitive, policy and strategic issues are now much better understood by all. Several popular new and changed policies, strategies and features from the past several months were a direct outcome of the Business Council meetings, and the Council was an invaluable “sounding board” for many of the major decisions and actions carried out in the past year.

In addition, the StoreNext Technical Council will be formed from the service and support staffs of the Business Council Dealers. We anticipate that the first meeting of the Technical Council will take place this fall.

The following pages outline the Council’s revised structure and operation. We look forward to working with the new Council.

To Your Success,

Tony

Antony van *seventer*

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StoreNext Business Council

Structure and Operation

PURPOSE

- The purpose of the StoreNext Business Council and its meetings are to advance business success for all StoreNext Dealers and StoreNext Retail Technologies.
- Programs, futures, relationships, third parties, industry issues and trends will be the focus of council meetings. Individual Dealer issues and product-specific enhancement priorities will continue to be managed through everyday Dealer/StoreNext account relationships.

MEETINGS

- Formal meetings will be held approximately every six months, attended by council members and selected members of StoreNext management.
- Third parties and additional attendees may be invited for portions of these meetings by agreement of StoreNext and the Council.
- StoreNext will provide the locations and arrangements for council meetings.
- Meeting dates and locations will be announced approximately six weeks in advance.
- Meetings will be held over a one or two-day period with schedules designed to minimize Dealers' time away from their offices. StoreNext will also attempt to schedule council meetings for the beginning or ending of the week to facilitate additional weekend meetings or activities as well as reducing travel costs.
- StoreNext will arrange and pay lodging for council members. Members will be responsible for all other travel arrangements and expenses.
- Conference calls and informal meetings can be held as required by the Council and StoreNext from time to time.

MEETING AGENDAS

- Council members will determine the primary agenda and topics to be discussed at the meetings. The agenda will be provided to StoreNext at least three weeks in advance of a meeting.
- The Council may request a special focused discussion or presentation by StoreNext on a particular topic. If such an item is desired, the Council will confer with StoreNext at least three weeks in advance to allow for reasonable preparation.
- The Council will provide at least two hours for open discussion of topics of concern to StoreNext. StoreNext will endeavor to give council members early notice of such topics.
- Given the purpose of council meetings and the expected dissemination of the meeting discussions through – and perhaps beyond – the Dealer community, confidential information will not be provided by StoreNext. StoreNext will not ask council members for any confidential information regarding Dealerships or other vendors.

MINUTES

- In the interest of communications, attending Dealers will publish minutes of council meetings to all other StoreNext Dealer principals at the level of subjects, primary points and conclusions. StoreNext requests to agree on these minutes prior to distribution for purposes of accuracy.
- Special presentations provided at the meetings may also be distributed to all Dealers or Dealer principals.

MEMBERSHIP

- The StoreNext Business Council consists of six (6) authorized StoreNext Dealer principals/owners whose Dealerships are in good standing with StoreNext.
- StoreNext at its option may place up to two additional Dealers of its choosing on the Business Council for one or additional meetings.
- Members will be nominated, volunteered and elected by Dealer principals.
- The term of office is two years.
- Membership will be “staggered” so that three members will normally be in the first year of their membership and the other three will normally be in their second year.
- The election mechanism is the responsibility of StoreNext.
- There is not a limit on the number of terms a Dealer may be elected to serve.
- A first and second alternate will also be elected. These alternates will permanently replace a member if that member is unable or unwilling to continue to serve.
- Members are expected to attend all meetings during their term, and be available for other Council discussions or activities as appropriate. If a council member is unable to participate in a specific function, no backup or alternate will fulfill that member’s role for that function, nor will any other person attend or function in the absent member’s place.
- Members may exit the Council and the appropriate alternate will replace that member on a permanent basis.
 - If a member is unwilling or unable to serve, they may resign.
 - The Council may request the agreement of StoreNext to replace a member with the alternate if the member cannot fulfill the Council responsibilities.
 - StoreNext may request the agreement of the Council to replace a member with the alternate if the member cannot fulfill the Council responsibilities.
 - The appropriate alternate will automatically replace the member on the Council if the member ceases to be a StoreNext Dealer in good standing.
 - If a case arises where both the first and second alternate have already been called to serve on the Council, and an additional council member ceases to serve, the Council will operate at reduced size until the following election.

ELECTIONS

- Dealer principals only may serve on the Council.
- No more than one principal from a Dealership or Dealership group (for example, a Dealer company with multiple offices that are not fully financially independent) may



serve at one time unless brought forward as an alternate in the case of a member leaving the Council.

- Once per year when an election is required, StoreNext will poll the current Dealer principals for nominations and volunteers to the Council. The nomination and volunteer period will be one to two weeks. All nominees and volunteers must be current StoreNext Dealers in good standing.
- Once the nomination period is closed, nominated Dealers will be asked to confirm that they will be able to serve if elected. Nominated Dealers who feel that they will not be able to perform the expected role may remove their name from the nomination list.
- The final nominations will then be submitted to the Dealer principals for a vote:
 - Dealer principals only are eligible to vote. The voting period will be approximately two weeks to ensure the opportunity for full participation by all Dealer principals.
 - Each Dealer principal will vote for three of the nominees. A Dealer principal may only vote once per election for one specific nominee.
 - Dealer principals who are nominees are encouraged to vote for themselves if desired.
 - Voting selections on ballots will be sealed in strictest confidence. The Dealer's name will be logged only as having voted, and selections will be tallied separately from the voter's identity.
- The three Dealers (in any year's election) with the largest number of votes will be notified and identified as having been elected to the Council for the upcoming term. No detailed results (totals, etc.) will be announced.
- The fourth and fifth-highest ranking nominees will be the First Alternate and Second Alternate respectively. The names of the alternates will not be announced until such time as it may be necessary for an alternate to serve.
- In case of a tie for the fifth Council position or Second Alternate position, StoreNext will select which of the Dealer principals to serve in that capacity based upon these criteria in the following order:
 1. Size – to maximize diversity in the size and scope of the Dealerships represented on the Council
 2. Location – to maximize geographical diversity of the Dealerships represented on the Council
 3. Coin flip
- Once elected, the three elected council members will join the three council members remaining from the previous term.
- The Council is requested to select a council president. Additional council offices and responsibilities can be determined internally at the Council's option.

MODIFICATIONS

- StoreNext reserves the right to revise the structure and operation of the StoreNext Business Council at its sole option and discretion.
- StoreNext intends to consult the then-current Council prior to making any such revisions.

- The Council, as well as all StoreNext Dealers, is invited to recommend revisions to these terms and provisions for the Council at any time to StoreNext and/or the current Council.

